PATRICIA LANGER | EVP/Legal, Business Affairs & Human Resources

Lifetime Networks

May 22, 2008

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12$^{th}$ Street, SW
Washington, DC 20054

Re: Review of the Commission's Program Access Rules and Examination of Programming Tying Arrangement (MB Docket No. 07-198)

Dear Chairman Martin:

I am writing on behalf of Lifetime Entertainment Services ("LES") to respond to a letter to you dated May 16, 2008 from Matthew M. Polka, President of the American Cable Association ("ACA"), regarding LES' recent decision to de-authorize CableCom of Willsboro ("CableCom") from continuing to carry LES' services without a contract. In his pursuit of ACA's policy agenda, Mr. Polka's letter, through omission and misstatement of the relevant facts, presents an incomplete and distorted picture of LES' policies and of the events leading up to LES' decision to de-authorize CableCom until such time as a carriage agreement can be reached.

First, LES would like to emphasize that it values all of its affiliate partners, large and small. LES reaches over 96 million subscribers and has successfully negotiated affiliation agreements with close to a thousand cable operators, satellite distributors, telco-video providers, etc. These distributors are our pipeline into viewers' homes and LES simply would not exist without them.

Second, LES does not engage in the types of negotiation tactics claimed by Mr. Polka in his letter with <u>any</u> of its affiliate partners. Lifetime does not tie or condition the carriage of its signature channel, Lifetime, to the carriage of its other networks, including Lifetime Movie Network ("LMN"). Also, Lifetime does not insist on "take it or leave it conditions" for carriage of any of its services. Rather, as demonstrated by the actual facts surrounding LES' decision to de-authorize CableCom from continuing to carry LES' services without a contract, LES seeks to work with its affiliate partners to reach agreements on mutually acceptable terms.

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Lifetime Entertainment Services

Specifically, the relevant facts are as follows: CableCom's agreements for carriage of Lifetime and LMN both contained October 2007 expiration dates. In advance of that deadline and on several occasions thereafter, LES reached out to CableCom about renewing its carriage of the services. Under the proposed terms of the renewal agreement, CableCom would continue to carry Lifetime and LMN as previously contracted. The only change in these terms proposed by LES was that in the event CableCom elected to add to its analog expanded basic tier, it would agree to include LMN among the services added.

Despite the fact that its carriage agreements with LES were expiring, CableCom did not respond to LES' renewal proposal nor did it respond to subsequent attempts by LES to reach it after the contract expiration date. Consequently, on April 8, 2008, (more than five months after the expiration of CableCom's contract), LES wrote CableCom to inform it that it would not be allowed to continue distributing the services after May 1st unless an affiliation agreement was reached before that date.

As described in Mr. Polka's letter, instead of responding directly to LES, CableCom wrote to the Commission on or about April 28, 2008 expressing concern about the April 8th notice it had received from LES. What Mr. Polka's letter does not reveal, however, was that two days later, LES finally was successful in its efforts to reach CableCom, at which time CableCom (belying any suggestion that it viewed the renewal proposal as a "take it or leave it" offer) asked, and LES agreed, to work towards reaching a mutually acceptable agreement. That conversation led to LES immediately sending a revised agreement to CableCom that LES believes responds to CableCom's concerns. However, CableCom has never responded to this revised agreement and finally, on May 12th, LES de-authorized the signals of its services.

Thus, contrary to Mr. Polka's assertions, LES did not "demand distribution of other channels by CableCom," did not tie the carriage of any LES service to any broadcast retransmission consent agreement, and did not present CableCom with any "take it or leave it" demands. It should be further noted, notwithstanding attempts to draw The Walt Disney Company, The Hearst Corporation and Hearst-Argyle Television, Inc. into this matter, that the contract at issue was for continued carriage of LES services already carried by CableCom and that no other services or stations owned by any entity were at any time referenced or discussed.

As indicated, CableCom has been a valued distributor of LES' services for many years and LES will continue to reach out to CableCom in an effort to renew our relationship on terms that are mutually agreeable. However, we are troubled that ACA appears to be attempting to take advantage of this situation in order to pursue its policy agenda, not to further the restoration of LES' services on CableCom's system. In order to succeed in today's highly competitive television marketplace, cable programmers must be free to make their own contractual proposals and to rise or fall in the marketplace on the strength of their programming and the attractiveness of their proposals. LES stands ready, as it always has, to consider and discuss a wide range of proposals for carriage of any and all of its services, without any "take it or leave it" demands or bundling requirements.

Sincerely,

Patricia Langer

Patricia Langer
Executive Vice President
Legal, Business Affairs & Human Resources

cc: The Honorable Michael J. Copps
The Honorable Jonathan S. Adelstein
The Honorable Deborah Taylor Tate
The Honorable Robert M. McDowell
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